

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 521**

February 20, 2009

**SUMMARY OF BILL:** Requires local governments to conduct a public hearing and approve by two-thirds vote the exercise of eminent domain.

**ESTIMATED FISCAL IMPACT:**

**Increase Local Expenditures – Not Significant**

**Other Fiscal Impact – Changes in property tax collections may occur as a result of this bill. Currently, if a government acquires property through the power of eminent domain, the property may become a tax-exempt parcel. If the parcel is then leased to a private entity, payment in lieu of tax payments (PILOT) may be negotiated. The amount of any PILOT would vary and may differ from the tax collected prior to the government's exercise of eminent domain. Under this bill, these transactions may no longer take place. The impact on property tax revenue cannot be reasonably quantified due to these variables.**

Assumption:

- Local governments may experience an increase in expenditures associated with the required hearings. This increase is estimated to be not significant.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in cursive script, reading "James W. White".

James W. White, Executive Director

/kmc